

# **Capital Improvement Plan Policies (CIP)**

## **Policy Statement**

The financial parameters for funding the CIP is that no less than two percent, but no more than six percent of estimated revenue in the annual operating budget shall be devoted to capital expenditures.

## **Purpose**

To provide a structural process for funding major improvements and new construction projects.

## **Key points/highlights**

Each year, as part of the budget process, the City Council revises its five-year forecast for capital improvements. Based on the requests made by various City departments and community groups and revenue projections, the Capital Budget Committee makes a recommendation to the Planning Commission, City Manager and City Council identifying those capital projects, which are of their highest priority.

Generally a capital project must have a life expectancy of at least five years and cost in excess of \$50,000.

Capital projects include such items as road extensions and intersections, new construction of public facilities, maintenance of existing facilities, and the acquisition of land for future public use. Projects fall into one of six categories: Street and Infrastructure Maintenance, Building Maintenance, Community enhancement, Education, Capital Equipment, and Other Projects. It is the long-term goal of the Capital Budget Committee to use New Projects/New Construction and Economic Development as the two categories to allocate the limited public funds for capital improvements.

The CIP is adopted by City Council as a planning tool and the first year of the plan is adopted as the Capital Budget for the current fiscal year with some modifications.

## **Contact**

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